

the wages of the workers they employ. All these matters are determined by the government. But the manager of a public corporation or enterprise can be dismissed unceremoniously by the government because of alleged inefficiency. He can also be locked out of his office by the workers for alleged unbecoming behaviour, but he cannot even fire a sweeper or copy typist without going through a long process of appeals to the various workers and government bodies. The managers of public enterprises and public corporations in Tanzania have administrative responsibility for managing public enterprises without the requisite authority to do so effectively. A realistic assessment of the performance of public enterprises in Tanzania should take into account these external factors which no doubt condition the operation of these enterprises.

## Workers' Participation in Management in Tanzania: A Background

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The policy decision to involve workers in the management of enterprises in Tanzania was made and announced in February 1970 in the form of Presidential Directive.<sup>1</sup> Even now the entire programme is based on the implementation of this Directive. The Circular directs, among other things, that "every public corporation or firm employing more than ten workers is to establish a workers' council."

The Security of Employment Act of 1964 had established "workers' committees", but these appear to have been established primarily to *defend* the employee as a worker. The workers' committees dealt, for example, with such matters as conditions of service, warnings and dismissals. The establishment of workers' councils, however, was aimed at enhancing the worker's role in management. It directed the public corporations and firms to re-organize their executive committees and boards of directors in such a way as to give practical effect to workers' representation and participation in planning, productivity, quality and marketing matters.

In this article we shall first discuss the concept of workers' participation in its historical context. We shall then examine the application of the principle of participation in independent Tanzania.

### THE CONCEPT OF PARTICIPATION

The idea of workers' participation in the management of enterprises can be found in both socialist and capitalist systems of management. The philosophical basis of employees' participation consists of four main propositions:

1. that such participation is essential to redress the balance of divergent interests in the existing social order;
2. that workers' participation is an expression of human rights—here the emphasis is placed on the moral dignity of human labour and the ethical objection to its being treated as a mere instrument or tool;
3. that men are happy in work if they have some insight into what is going on—the main purpose here being to serve man's psychological needs, primarily because failure to meet them will reduce the workers' willingness to work, thus reducing profits; and finally
4. that workers' participation is essential for efficiency, because workers do have ideas which management can make good use of, and also

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<sup>1</sup> Presidential Circular Number 1 of 10 February 1970.

that consultation increases the workers' willingness to contribute and produce more.

In other words, workers' participation is expected to achieve both ideological and practical objectives. Ideologically, the system attempts to realize a form of genuine democratic or participative management, while practically, it is expected to minimize or eliminate conflicts, improve inter-personal communication, improve confidence and trust among workers, increase their involvement and improve their motivation and support for the organization and its objectives.

In the Western countries, the idea of workers' participation started at the time of the Industrial Revolution and was advocated principally by utopian socialists, who sought to minimize the social disorders and economic exploitation created by capitalism. Subsequently, with the growing contradictions within the capitalist system, there was greater need to regulate industrial conflicts. The increasing development of consciousness among working people also increased the urgency on the side of the capitalist industrial owners to maintain good industrial relations. It was thought that participation of the workers in management would result in better communication of ideas between workers and management and would, therefore, help in foreseeing and forestalling critical periods. In addition, the growth of monopoly called for a more rational management system which would ensure maximum productivity, and this system could be more readily achieved with the utilization of the creativity and initiative of the working force. Thus the involvement of industrial workers in decision-making process was seen—initially at least—as a technique for increased productivity and profit.

Mapolu points out that the trade union movement in the West was also instrumental in the introduction of workers' participation.<sup>2</sup> For example, in Britain, the birth and growth of the trade union movement was closely connected with the ideas of Robert Owen about "co-operative production" and the elimination of master-servant relationships in industry. The Grand Consolidated Trade Union was formed for this purpose, though it soon failed due to the hostile attitude of both state and capital to the idea of organized labour. Subsequently, however, the British Government appointed the Whitley Committee to study the problem of industrial relations. The Committee recommended the formation of "joint works committees" in firms. The Sheffield Workers' Committee, however, rigidly published criticisms of the proposed committees on the grounds that:

1. they could function only when both sides were equal in strength, otherwise they would just strengthen the employers' hold on the workers;
2. they would soften the attitude of the trade unions to the employers since they would teach them to look at things from "both sides" (i.e., the workers would be "bourgeoisified"); and

<sup>2</sup> Henry Mapolu, "The Organization and Participation of Workers in Tanzania," *African Review*, II, 3 (1972), pp. 381-415.

3. the workers would be undertaking some responsibility for the development of property which they did not own, and they would thus become part of an organization which is pledged to prevent them from ever owning such property.

The Sheffield Workers' Committee thus argued that "(so long as labour remains a commodity and the employing class purchasers of that commodity, the relationship remains the same, wage-slave to profiteer, workmen to employer.)"<sup>3</sup> The Committee rejected the notion that such councils would induce the worker to identify his own interests with those of the enterprise, and held that while certain incidental benefits might accrue to the worker under the proposals, he was still being asked essentially to co-operate in running the company better in the interests of private owners or shareholders.

On the whole, then, the system of workers' participation in industrial management which has evolved in the West has been primarily a device for industrial relations and profit maximization, rather than a device to serve any humanitarian or socialist goals. In Sweden, for example, an agreement was signed in 1946 between the labour unions and the Employers' Federation which provided for "works councils" which would act as informative and consultative organs with the aim of forging close collaboration between employers and employees and hence increasing productivity, order and discipline:

In discussions of this theme (industrial democracy in Sweden) there has never been any great pre-occupation with fundamental philosophical or moral concepts based on the dignity of man. The primary emphasis has been on practical matters, on increasing production, and on contributions which the workers' influence in the running of a firm could make to increased efficiency. Swedish industrial democracy has a strong economic basis: soap-and-towel democracy is not dismissed out of hand, but is regarded as a means to increased production and thereby higher real incomes, rather than as an end in itself.<sup>4</sup>

There appear to be exceptions to this general rule, however. George Kahama has identified certain companies in Britain which are "ideologically committed to full Workers' Control as a long-term objective", e.g., Scott, Bader and Rowan which has established shop-floor committees which are "intimately involved in the day-to-day organization of the factory. They consider working procedures, production targets, they determine working hours, and a general assembly of workers even controls wages"; while in another company in Scotland, "all decisions, large and small, are taken by a weekly general assembly of workers."<sup>5</sup>

In the socialist system, workers' participation is seen not merely as an attempt to secure benefits for the company by stimulating the worker's

<sup>3</sup> *Ibid.*, p. 388.

<sup>4</sup> T. L. Johnstone, *Collective Bargaining in Sweden* (Cambridge, Mass.: Harvard University Press, 1962), p. 216.

<sup>5</sup> C. G. Kahama, "Participation in Tanzania: The Role of N.D.C.," paper presented to the Fourth National Development Corporation Group Managers' Conference, 17-31 October 1971.

interest in the job, but as a recognition of his legitimate interest in the overall policy of his enterprise or organization. It seeks to achieve an identity of interest between the worker and his organization. Hence the use of the terminology "workers' control" in the socialist context; the essence of workers' control being the belief that workers should regulate the overall policy of their organization.

In socialist countries, therefore, workers' control is regarded as crucial to the whole strategy of socialist construction, essential for the achievement of the socialist goal of dispensing completely with class differences. After the overthrow of the bourgeoisie, control of the instruments of production by the working class is essential if such instruments are to be used for the benefit of the working people.

In the socialist world, Yugoslavia is the best-known country for her workers' participation or control system, in the form of workers' councils. The essence of Yugoslavia's ideological position in this regard is given in the 1958 programme of the League of Yugoslav Communists:

By merely socializing property, the working class still remains far from the achievement of its goals, for being emancipated from the capitalist system does not also mean delivery from the new perils of statism and bureaucratism. From a historical or theoretical viewpoint, one cannot speak of a real qualitative change in social development unless Government in the name of the people becomes Government by the people themselves, the withering away of the State is no more than the socialization of its functions and the gradual clarification of a new concept of the social community which, through the network of social organs that it creates for itself, takes into its own hands the power of decision regarding destiny, its material values and the satisfaction of its common needs. The essence of socialism is its mission of creating new social relationships. The extent to which such relationships are effectively created is the surest criterion of a country's revolution towards Socialism.

Thus the Yugoslav system of workers' self-management is seen as a transition process during which a new man is trained to operate in a stateless society in which the individual will make decisions which are for the good of society as well as his own good, and in which he will be guided only by his conscience, without having to rely on the controlling actions of a superior. The system is secondly a means of liberating the worker from the bonds of hierarchy and alienation—the effects of a vertical organization which distinguishes between workers and managers, where influence is based on vested hierarchical positions. In the Yugoslav system of self-management, all are workers and managers at the same time; workers join organizations as equals, and participate in production and the distribution of rewards as decided by a democratic vote. There is no elite group which manages itself. There is only a group of co-ordinators and administrators, but not managers. Under socialism, therefore, workers' participation or workers' control is important primarily for the very materialization of the objective of socialism, the liberation of man.

#### WORKERS' PARTICIPATION IN TANZANIA

As far as the developing world is concerned, it is possible to identify certain general constraints to the development of meaningful workers' participation. There are, for example, the lack of education and skills of the local population, as well as the smallness of the industrial working class as such—factors which are, of course, a direct result of the neo-colonial structure of these countries' economies. As Karl Marx has said, "Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past."<sup>6</sup> For Tanzania, the colonial legacy is well known: Tanganyika began its independent existence at the end of 1961 with one of the least formally educated populations in Africa, a very small industrial sector, and an exclusive Asian community in control of what local business there was. It was certainly not a propitious beginning. The question of the effective participation of the workers in the management of the organizations in which they were working came to the fore only after the Arusha Declaration of February 1967, which *inter alia* placed the major means of production under public control and thus made it feasible to give the power to control their newly-acquired economic institutions to the people, the workers. Nonetheless, little was done in this direction for three years after the Arusha Declaration had been promulgated. Arnold Temu gives two major reasons for this time-lag:

First, Tanzania was too preoccupied with the mechanics of taking up or setting up and expanding the enterprises to plunge into this very difficult but crucial process upon which rested the success of the revolution. Secondly, and more seriously, is that the attitudes and methods of those who were appointed to run these institutions, even though they were Tanzanians, continued to be the same as those of the colonial manager; and their relationship with the workers was the same as that of the colonial manager.<sup>7</sup>

An additional important factor, of course, was that most of the business had been placed under the management of personnel who had no previous experience of socialist management. In many cases, foreigners were still in key positions in industry, and they obviously did not consider it their business to get involved in the formulation of new management policies for Tanzania. But even when there were Tanzanian managers, these were not necessarily more enlightened in this regard. They found it convenient to maintain the *status quo*, apparently operating under the false impression that they were doing the right thing and that in fact they were "successfully implementing the counsel of President Nyerere that 'taking an industry under Government ownership or control does not eliminate the need for skilled work and astute commercial expertise. We shall be asking the present management to continue in their present work just as they might do if their firms had changed ownership

<sup>6</sup> K. Marx, "The Eighteenth Brumaire," in K. Marx and F. Engels, *Selected Works*, Vol. I (Moscow: Progress Publishers, 1969), p. 398.

<sup>7</sup> A. J. Temu, "Public Involvement in Planning and Development in Tanzania," paper presented at the University of York Overseas School, September 1973.

between two private grounds.’”<sup>8</sup> Those words of President Nyerere were describing an unfortunate necessity at the time of the nationalization of industries, but some people in the National Development Corporation chose to treat this as a statement of lasting policy! As a result the workers continued to be treated as mere employees and were thus alienated from the very institutions which were supposed to be theirs. As late as September 1971, President Nyerere pointed out in his report to the TANU National Conference:

We have gradually realized that public ownership of enterprises may be, and in most cases in Tanzania has been, managed well, and with the intention of serving the interests of the Tanzanian people. But they are still being managed for the people. Consequently the people who are not in management positions in the public corporations, still do not feel that these corporations are theirs...the workers in these organizations frequently feel that they are working for “them” and not for themselves.<sup>9</sup>

This was the situation which had led to the February 1970 Presidential Circular for the establishment of workers’ councils. But before we embark on a discussion of these councils, it is desirable briefly to review the functioning of the earlier established workers’ committees.

The Security of Employment Act of 1964 requires that workers’ committees be established in every business where ten or more trade union (NUTA) members are employed. Though only NUTA members may serve on such committees, the committees are to function in respect of all workers, whether or not they are union members. The primary function of the workers’ committee is “to consult with the employer on matters relating to the maintenance of discipline and the application of the disciplinary code”<sup>10</sup> which is set out in considerable detail in the Second Schedule to the Act. Thus discipline is made the joint responsibility of the employer and the workers; it is no longer to be the sole prerogative of the employer. Another important duty which is imposed on workers’ committees is to help in increasing productivity and efficiency at the place of work.

The Act also provides for the establishment of conciliation boards, which are to be complementary to the workers’ committees. These are to be tripartite bodies comprising an independent chairman, one representative of NUTA, and one representative of employers’ interests. It was intended that the decision of this board on any matter referred to it represents the agreed views of both the workers and the employer, but the chairman is empowered to impose his decision if agreement cannot be reached.

The significance of the workers’ committees and the hopes placed on their usefulness were summarized by the Minister for Labour as he introduced the bill in the National Assembly. The Minister said that his bill was “significant as a practical expansion of African Socialism, and would bridge

8 National Development Corporation, *Jenga*, No. 8 (1971), p. 28 (emphasis added).

9 Julius Nyerere, “Tanzania, Ten Years after Independence,” (Dar es Salaam: Government Printer, 1971), p. 16.

10 Security of Employment Act No. 62, 1964, S. 6 (1) (a).

the deep gulf which has previously existed between employer and worker.”<sup>11</sup> Government Paper No. 1 of 1964 outlines the functions of workers’ committees more specifically. They are:

1. to ensure the observance of collective agreement and arbitration awards;
2. to safeguard rules of employment, including those contained in bills of general application (such as a disciplinary code);
3. to make part in all inspections of employing concerns conducted by any authorities or officials charged by law with that duty;
4. to inspect all records of employment, including time and wage sheets, and to report any non-compliance with the provisions of a wage regulation order to the appropriate labour officer;
5. to confirm any case of dismissal or termination of employment of any worker which appears justified;
6. to confirm an employer’s intention to impose any punishment provided for by the Disciplinary Code;
7. to hold joint conferences with the employer or his representative, at appropriate intervals, to discuss working arrangements and their improvement if necessary to promote the efficiency and productivity of the establishment in the interests of the economy in general and of the concern and the workers; and
8. to hold joint conferences with the employer or his representative in order to keep under periodic review the safety and welfare arrangements in the establishment.

In practice, however, the primary function of the workers’ committee has been seen by management as limited to ensuring that workers’ discipline is carried out. For example, the guidelines issued by the National Development Corporation on the establishment of workers’ councils define the role of workers’ committees in the following terms:

The Workers’ Committee deals mainly with discipline. It does not deal with politics or personnel policy or even with other aspects of management. But it would be wise to consult with the Committee on these matters simply because it will help them better to appreciate the implications of their function. Experience has proved that a well-used committee can be a useful tool of good management.

The N.D.C. management saw the role of workers’ committees as exactly what the Sheffield Workers’ Committee had feared it might become: a method for strengthening the employers’ hold on the workers by using them as tools for management.

In certain privately owned companies, the workers’ committees were hopelessly ineffective. As a result of his case study of the Tanganyika Tea Company at Mufindi, A. P. Mahiga reports that “the Workers’ Committees in the various establishments of the Tanganyika Tea Company are disappointingly ineffective and poorly organized.” Says Mahiga:

<sup>11</sup> *Majadiliano ya Bunge*, 3 December 1964.

The Workers' Committees are still first and foremost instruments of dealing against the employer, but their threat to the employer is minimal because they cannot organize a strike or even threaten a strike (because of the legislation which forbids this). But so long as the Workers' Committees exist, and the private entrepreneur knows what they pose against him, the logical reaction of the entrepreneur is to undermine them and make them less effective. This is what I have seen happening in the Tanganyika Tea Company.<sup>12</sup>

Although the Tanganyika Tea Company's working conditions were in many respects very bad, the workers' committees were powerless to effect any improvements, despite the intentions of the Government Paper quoted above. Since the workers' committee is the trade union organization at the company level, and therefore, the workers' consultative organ on matters concerning the welfare of workers, many workers in the estates and factories studied by Mahiga expressed great dissatisfaction with NUTA's ineptitude, and showed very little confidence in their trade union. They were even uncertain whether NUTA was the custodian of their interests or the employers' interests!<sup>13</sup> The directors of the Company were particularly grateful to NUTA and the government for making strikes illegal, and they pointed out that since the formation of NUTA, labour relations in their Company had been very good—in fact so good that the Company did not need an industrial relations officer.<sup>14</sup> Workers' discontent with NUTA was of course not confined to the Tanganyika Tea Company, as is evidenced by the report of a Presidential commission appointed to investigate NUTA. The commission referred to that organization as inefficient, bureaucratic and irresponsible, descriptions which surely were not an exaggeration. The report spoke of "the trend towards the disaffection of members, and loss of enthusiasm by junior officials" and urged "immediate steps to rectify the situation."<sup>15</sup> Amid the welter of complaints about Union officials and their performance, there were several grievances which provided an insight into the workers' concern with their more general situation. There were complaints that "public meetings were held, but like visits by officials, they were few and far between and tended to be mostly on political issues, utterances of promises, or some other material not related to the real welfare of members."<sup>16</sup> Relationships with employers were not reconstructed, and workers complained that "a number of (NUTA) leaders enter into suspicious relations with employers. Business is conducted in privacy, through telephones or in English, a language which most members do not understand."<sup>17</sup>

The formation of workers' councils was first announced in the *Nationalist* of 9 October 1969, in which it was explained that the purpose

12 A. P. Mahiga, "The Worker in Private Enterprises: A Case Study of the Tanganyika Tea Company," (Department of Political Science, University of Dar es Salaam, 1970).

13 *Ibid.*, p. 41.

14 *Ibid.*, p. 44.

15 *Report of the Presidential Commission of Enquiry on the National Union of Tanganyika Workers* (Dar es Salaam: Government Printer, 1967), paragraph 5.

16 *Ibid.*, paragraph 3.

17 *Ibid.*, paragraph 27.

of the councils would be "to bring the workers close to the management of industries and to promote better industrial relations while giving the workers more say in formulating policies." But it was not until February 1970 that concrete measures were taken in the issuing of the Presidential Directive. The Presidential Circular gives three underlying principles of workers' participation in the management of enterprises in this country:

1. Given a proper work environment, the majority of the workers can become more creative and productive.
2. Workers are not just a factor of production; they ought to be treated as the very purpose of production.
3. Industrial discipline can be meaningful only when all involved know fully what, why and how production is carried out.

The Circular was meant to provide a solution to the problems which occur in a "them-us" dichotomy, a situation in which the worker is alienated and his only concern with his enterprise is that it hopefully retains his services and pays his wages promptly at the end of every month. He simply wants to do his hours and go home to rest. As was pointed out by a worker on being interviewed by reports, "The manager has plans. He gives it to his foreman. Then we are told what to do. But there should be a discussion on how workers in a section should carry out this and in what way. This will give us a sense of involvement."<sup>18</sup> The Presidential Directive was intended to change the power relations in industry in favour of the work force by giving the latter a voice in the decision-making process and by drawing the attention of management to the fact that their own powers needed to be regulated (but not necessarily usurped) for the sake of industrial peace, democracy and productivity.

The Directive calls attention to the undesirable continuation of the colonial pattern of industrial organization "with a strict hierarchy of industrial discipline . . . with just a suggestion box put in for the occasional use of the more daring junior workers." It calls for workers' participation in management not only in order to correct this situation, but also as a means of infusing in the worker a sense of real commitment in the productive effort in every industry.

Thus, as was ably summarized by Basil Mramba, the Directive on workers' participation emphasizes that the councils are meant to enhance the democratic process at the enterprise level through the system of broad representation and involvement in decision-making by the ordinary workers in important organs of the enterprise. In so doing, it is hoped that the workers will come to appreciate the problems facing the enterprises and be enthused with a spirit of solving them jointly with management, thereby giving them a sense of involvement in, and responsibility for the running of the businesses in which they work.<sup>19</sup>

18 Abdul Karim and Scholastica Mushi, "Bonus and Overtime," *The Nationalist*, Dar es Salaam, 22 November 1971.

19 B. P. Mramba, "Organisational Theory and the Tanzanian Concept of Workers' Participation," *Taamuli*, III, 1 (1972), p. 31.

The fact that the policy of introducing workers' participation in Tanzania through the formation of workers' councils was promulgated by Presidential Directive is of some theoretical significance. In discussing the Yugoslav system of workers' participation through self-management, Riddell draws attention to the point that the Yugoslav system, as it has evolved through the years, has not risen directly from the demands of the workers or the citizens but has instead been worked out, legislated and modified from the top. "The system is the creation of lawyers more than of workers, a continuous creation marked by the unceasing promulgation of new rules; and the full conscious participation in self-management demands knowledge of its legal framework and laws which regulate it."<sup>20</sup>

In India, on the other hand, the scheme for joint management councils, launched in 1958 with the aim of promoting consultative and participative management, was in part a response to union demands for the curbing of managerial authority. The union leaders had been particularly critical of the absence of any binding force accorded to the hitherto existing works committee decisions, and so they demanded more effective participation by workers in a broad range of managerial decisions.<sup>21</sup>

In Tanzania, the Presidential Directive does not appear to have been a direct response to workers' or NUTA's demands for workers' participation. Possibly NUTA's inefficiency and bureaucratic nature, exposed by the Presidential Commission of Enquiry of 1967, was the cause of NUTA's inability to take the initiative on this matter. A Presidential directive precludes any discussion of the idea itself by the public; discussion can be centred only on its implementation. Hence it became necessary for the Party, in co-operation with NUTA, to precede the councils' establishment with an intensive education campaign for the workers on the importance and role of these councils. The result was that the original deadline for the establishment of workers' councils (the end of the year 1970) was extended to the end of May 1971 in order to allow for the completion of this education programme. According to figures published in the newspapers, a total of 56,957 workers attended the workers' education seminars which were conducted all over the country.

Case studies which have been undertaken in Tanzania will show the extent to which the programme of workers' councils has been able to improve communication, confidence and trust among workers, increase their involvement, and improve their motivation and identification with and support for their enterprises. These studies will also show whether the workers significantly influence important decisions, particularly of a technical and managerial nature. Some results are already available, however. For example, the General Manager of N.D.C. in his address to the fourth

20 David Riddell, "Social Self-Management: The Background of Theory and Practice in Yugoslav Socialism," *The British Journal of Sociology*, XIX, 1 (March 1968), p. 58.

21 Concerning the general background leading up to demands for workers' participation in management in India see Charles A. Myers, *Industrial Relations in India* (Bombay: Asia Publishing House, 1958), pp. 146-152.

Group Managers' Conference held at the end of October 1971 stated that "although most N.D.C. companies have fulfilled the statutory requirements for the creation of workers' councils and committees, these bodies have, to a marked extent, faced disappointments, frustrations and even doubts as to the real value of the programme."<sup>22</sup> According to some observers trust between workers and management is conspicuously lacking because there is still a feeling of insecurity, both on the part of the workers and of management. A worker does not speak his mind for fear that he might be transferred, lose promotion or even be sacked. A manager or supervisor is afraid of doing or saying anything which the workers may not like and which might lead to his being locked out.<sup>23</sup> Moreover, if one may hazard a generalization, the few countries of the developing world which have experimented with any form of workers' participation have not produced encouraging results. The Indian experience, for example, provides little encouragement to those who would like to see a greater and speedier development of participative managerial practices. The efforts to promote such practices by means of workers' committees (similar to the workers' committees in Tanzania) have not been notably successful and the same fate seems to have overtaken the efforts made to establish joint management councils. It is possible that there might have been even less participation without such efforts, but certainly the evidence available suggests that there have been no notable advances in the participative role of workers or unions in the decisions of the firms.

As has already been noted, the Indian scheme of joint management councils was launched in 1958. The scheme was voluntary and selective, in the sense that the constitution of joint councils was not mandatory, and units for inclusion in the scheme were selected on the basis of a "good record of stable and constructive industrial relations." Furthermore, the type of issues to be dealt with under the scheme were carefully enumerated, and an indication was given of the patterns of participative relationships which were expected to emerge. This formulation took account of the principal pitfalls to be avoided in order to ensure the success of the proposed scheme: every effort was made to avoid issues normally covered by collective bargaining, conflicts with the leadership of the unions, and inroads into managerial prerogatives on major economic decisions. The scheme itself was evolved on the basis of tripartite discussions involving government, management and union representatives, and a parallel programme for workers' education to prepare the workers for participative roles was also launched. It was envisaged that the councils would be consulted by management on the administration of the standing orders and on changes in production techniques or operations. It was also stipulated that the councils would be entitled to receive information on, and to react to, a whole set of issues concerned with the current and prospective economic well-being of the firm. The Indian Ministry of Labour and Employment assumed an active role in promoting workers'

22 C. G. Kahama, op. cit., p. 2.

23 Abdul Karim and Scholastica Mushi, op. cit.

participation in management under the scheme. Yet, in spite of all these elaborate and careful preparations, difficulties were encountered in the functioning of the councils. Several reasons have been advanced to explain this failure. N. Das attributes the failure of the Indian efforts generally to the "socio-economic circumstances" of the country, which he says are not yet conducive to the development of workers' participation,<sup>24</sup> while other studies<sup>25</sup> draw the conclusion that failure was due to limited genuine commitment to the idea of participation and, in some cases, to acrimonious conflicts which led to the abandonment of the scheme. They point out that consultations between management and workers' representatives were limited, or the information provided was considered unsatisfactory. Furthermore, workers were concerned primarily with their own benefits rather than with the economic status of the firm, in which it was expected they would develop an interest by having access to the balance sheet. It is pointed out also that there were many routine lapses, some of which could be interpreted as reflecting managements' limited faith in the scheme, such as failing to circulate the agenda in advance, ignoring sometimes unanimous recommendations, or not informing the councils of decisions taken in the light of recommendations made by the council. There were also conflicting standards for interpreting the usefulness of discussions in these forums. Statutorily, the councils were supposed to be advisory; but since the scheme was one of participation, the workers naturally emphasized the participative role of the councils because it accorded greater weight to their opinions, while management, in order to preserve their discretion, emphasized the advisory role of these councils. Judged by these separate tests, the deliberations were found to be disappointing to the parties.

In the case of Tanzania, while the implementation of the Presidential Directive on workers' participation was taking its slow course, and as if in response to the deepening conviction that current strategies were proving inadequate as the split between leaders and masses became more obvious, Mwongozo was promulgated. In the nationalized industries, the gulf between workers and managers was as wide as ever. Mwongozo, therefore, made very specific policy pronouncements and directed that the situation be rectified.

Leadership... means organizing people... we have not only inherited a colonial governmental structure but have also adopted colonial working habits and leadership methods. For example, we have inherited in the government, industries and other institutions the habit in which one man gives the orders and the rest just obey them. If you do not involve people in work plans, the result is to make them feel a national institution is not theirs, and consequently workers adopt the habits of hired employees... there must be a deliberate effort to build equality between the leaders and those they lead... The conduct and activities of the parastatals must be looked into to ensure that they help further our policy of socialism and self-

24 N. Das, *Experiments in Industrial Democracy* (Bombay: Asia Publishing House, 1964), p. 157.

25 See, for example, V. G. Mhetras, *Labour Participation in Management* (Bombay: Manaktals, 1966), pp. 225-227.

reliance. The activities of the parastatals should be a source of satisfaction and not discontent.<sup>26</sup>

The significance of these pronouncements was clear enough to the workers. There were demonstrations and unrest in many of the industries; there were cries of irresponsibility and sabotage and calls for tough reactions. There were also suggestions that Clause 15 of Mwongozo should be revised or "clarified". President Nyerere did indeed clarify it in November 1971. He said, "It was noteworthy that in the various strikes, workers were not demanding wage increases but *protesting against the alleged unbecoming behaviour of certain people in the management and administration echelons*. This is a clear indication that the workers understand the guidelines very well."<sup>27</sup> The Second Vice-President, Mr. Kawawa, further assured the workers that they "had the upper hand in solving their differences with the management." He reiterated that the government would "not hesitate to dismiss any manager who continued to mistreat and despise workers... the workers should expose such elements within their midst without fear of reprisals from management. The government will always stand by their side."<sup>28</sup>

The importance of Mwongozo, therefore, is that it significantly raised the consciousness of the Tanzania workers. As P. L. Lawrence put it, "armed with Mwongozo, the workers appear to have gone beyond the economism of wage demands, and their strikes have been about and *against unsystematic management, lack of consultation, and commandism at the work place*."<sup>29</sup> Thus it is hoped that within the environment provided by Mwongozo, the implementation of workers' participation in Tanzania will be more genuinely and earnestly undertaken.

Success, of course, will depend on the extent to which the management of corporations has been, and will continue to be, willing to involve the workers in these councils effectively, and not only by the mere inclusion of their representatives in them. It is obvious that a radical change in the attitudes and methods of operation of the management personnel is called for, entailing their acceptance of the positive role of the workers and faith in the latter's capability to undertake the responsibilities of planning and decision-making in their respective institutions. It appears that for most of the first year after the establishment of workers' councils, certain enterprises merely paid lip service to the application of the principle of the Directive. The workers, on their part, were prepared to seize the opportunity which was provided, especially by Mwongozo, to press for the democratization of the institutions. Under such a situation a confrontation was inevitable and, as we have already noted, there were strikes and demands for the sacking of certain management personnel. The Minister for Labour told

26 *TANU Guidelines* (Dar es Salaam: Government Printer), 1971. Reproduced in *The African Review*, I, 4 (April 1972), pp. 1-8.

27 *The Nationalist*, Dar es Salaam, 18 November 1971 (emphasis added).

28 *Ibid.*

29 P. L. Lawrence, "Socialism, Self-Reliance and Foreign Aid in Tanzania: Some Lessons from the Socialist Experience," (Economic Research Bureau, University of Dar es Salaam, 1972), p. 19 (emphasis added).

the National Assembly in July 1973 that the strikes and demonstrations were to a large extent due to the failure of the managements to put the Presidential Directive into practice, hence demonstrating very sharply the contradictions that existed in Tanzanian society between the old methods of colonial bureaucracy and the socialist methods of work which were required.

## Public Policy-Making and Public Enterprises in Tanzania

GORAN HYDEN\*

This article is devoted to the general style of public policy-making in Tanzania.<sup>1</sup> The underlying assumption to the argument put forward below is that in a socialist economy the management of public enterprises cannot be viewed in isolation from the policy-making process within the government bureaucracy and the ruling party, in this case TANU. Thus, in relation to the management of public enterprises, the style of public policy-making takes on the role of an independent variable, directly affecting the management of these enterprises.

It is generally assumed by policy-makers and social scientists alike that development can be attained in developing countries only through some kind of planning. Planning is presented as *the* mode of policy-making. This assumption is well documented in the existing literature on development problems in Africa. Yet, as much of this literature reveals, policy-making practice is far from existing prescriptive models. While this disparity is recognized in a general way, few people seem prepared to draw the inferences that (a) policies can be made in fashions other than planned; and (b) such other modes of policy-making may have benefits that supersede those of planning, particularly given the conditions in poor Third World countries.

Here we shall examine the peculiar type of policy-making that has developed in Tanzania. Emphasizing the need to do things here and now we have labelled it the "we-must-run-while-others-walk" style of policy-making, using one of President Nyerere's many phrases about the dilemmas facing his country in the development race. The style of public policy-making in Tanzania is seen as the product of her ambition; caught in a desperate position on the periphery of the world capitalist system, she wants to break away from that system and take a "short-cut" to a more advanced stage of development. Elements of this policy-making style may be particularly prominent in Tanzania, but no doubt exist also in other Third World countries.

The paper is divided into three parts: first, a review of the planning literature with specific reference to the African experience; then a presentation and analysis of policy-making in Tanzania; and finally, a discussion of the factors which are important for an understanding of policy-making problems under conditions like those in Tanzania.

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